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Faraday Reported 2008 First Quarter Results

First Quarter 2008 Highlights⁽¹⁾:

- Year-over-year revenue increased 0.3% to NT\$1,152 million (US\$36.5 million)
 - Gross margin, 47.7%
 - Net income of NT\$214 million (US\$6.8 million)
 - Earnings per share of NT\$0.63 for the quarter
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Hsinchu, Taiwan –April 24, 2008 – Faraday Technology Corporation (TSE: 3035), a leading fabless ASIC design solution and silicon IP provider, today announced its unconsolidated operating results for the quarter ended March 31, 2008. The first quarter revenue was NT\$1,152 million, while net income and basic earnings per share came to NT\$214 million and NT\$0.63 per share, respectively.

Due to the change of product mix from ASIC business and NTD appreciation, gross margin of the quarter was 47.7%, decreased 4.5% compared to the previous quarter. The operating margin of 1Q08 was 10.2% after implementing a new ROC accounting rule of expensing employee profit sharing.

The ASIC revenue showed a significant migration to the advanced technology in the quarter. The revenue from 0.13um technology presented 15.8% of the overall ASIC revenue, increased 37% compared to the previous quarter; and more than five times revenue growth over the same period last year.

⁽¹⁾ Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with ROC GAAP, which differ in some material respects from generally accepted accounting principles in the United States. They are un-audited, un-consolidated, and represent comparisons among the three-month period ending March 31, 2008, the three-month period ending December 31, 2007, and the equivalent three-month period that ended March 31, 2007. For all 1Q08 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$31.529 to one U.S. dollar.

Summary of Operating Results

Operating Results					
(Amount: NT\$ million)	1Q08	4Q07	QoQ% change	1Q07	YoY% change
Revenue	1,152	1,390	(17.1)	1,148	0.3
Gross Profit	549	722	(23.9)	608	(9.8)
Operation Expenses	(432)	(393)	10.0	(294)	46.9
Operating Income	117	329	(64.4)	314	(62.9)
Non-op. Income (Expenses)	97	49	101.2	265	(63.4)
Net Income	214	383	(44.0)	578	(63.0)
EPS (NT\$ per share)	0.63	1.14		1.71	

Detailed Financials Section

COGS & Expenses					
(Amount: NT\$ million)	1Q08	4Q07	QoQ% change	1Q07	YoY% change
Revenue	1,152	1,390	(17.1)	1,148	0.3
COGS	(603)	(668)	(9.7)	(540)	11.7
Wafer	(296)	(351)	(15.7)	(256)	15.6
Other Mfg. Costs	(307)	(317)	(3.2)	(284)	8.1
Gross Profit	549	722	(23.9)	608	(9.8)
Gross Margin (%)	47.7%	52.0%		53.0%	
Total Operating Exp.	(432)	(393)	10.0	(294)	46.9
G&A	(60)	(58)	3.4	(39)	53.8
Sales and Marketing	(63)	(42)	50.0	(25)	152.0
R&D	(309)	(293)	5.5	(230)	34.3
Operating Income	117	329	(64.4)	314	(62.9)
Operating Margin (%)	10.2%	23.7%		27.4%	

Non-operating Income (Expenses)			
(Amount: NT\$ million)	1Q08	4Q07	1Q07
Net Non-operating Income (Loss)	97	49	265
Net Interest Income (Expense)	4	5	7
Net Investment Income (Loss)	112	58	251
Reverse on (Inventory Loss Provision)	(15)	(8)	(1)
Gain (Loss) on Disposal of Investment	-	-	-
Exchange Gain (Loss)	(2)	0	0
Others	(2)	(6)	8

Current Assets			
(Amount: NT\$ million)	1Q08	4Q07	1Q07
Cash & Cash Equiv.	1,712	1,660	2,026
Notes & Accounts Receivable	867	1,035	834
Days Sales Outstanding	75	75	77
Inventory	349	399	173
Avg. Inventory Turnover	66	53	40
Total Current Assets	3,299	3,494	3,344

Liabilities			
(Amount: NT\$ million)	1Q08	4Q07	1Q07
Total Current Liabilities	1,450	1,387	947
Notes & Accounts Payable	652	759	432
Others	798	628	515
Long-term Liabilities	20	21	24
Total Liabilities	1,470	1,408	971
Liabilities to Equity	22.5%	21.8%	13.4%

Analysis of Revenue

ASIC Revenue Breakdown by Region

Region	3Q07	4Q07	1Q08
Taiwan	48.2%	37.0%	44.7%
USA	23.1%	15.5%	15.9%
Japan	5.4%	8.3%	8.6%
Europe	15.0%	31.2%	16.8%
Korea	2.7%	2.9%	1.9%
China	5.6%	5.1%	12.1%

Total Revenue Breakdown by Customer Type

Type	3Q07	4Q07	1Q08
Fabless	43.5%	64.2%	47.0%
System	41.2%	26.4%	40.7%
Foundry	15.3%	9.4%	12.3%

ASIC Revenue Breakdown by Geometry

Geometry	3Q07	4Q07	1Q08
90nm	0.4%		
0.13um	8.6%	9.5%	15.8%
0.162um	13.6%	5.6%	11.7%
0.18um	52.4%	57.9%	43.9%
0.22um	1.6%	2.6%	2.2%
0.25um	7.9%	10.4%	8.4%
0.35um	9.7%	8.6%	11.3%
0.45um	1.5%	1.1%	1.8%
0.5um	3.8%	4.0%	4.6%
0.6um	0.5%	0.3%	0.3%

Total Revenue Breakdown by Billing Method

Billing	3Q07	4Q07	1Q08
ASIC	68.3%	71.5%	70.7%
Design Service	11.8%	7.6%	8.2%
IP	19.9%	20.9%	21.1%

ASIC Revenue Breakdown by Application

Application	3Q07	4Q07	1Q08
Peripheral /Storage	39.1%	25.1%	27.6%
Comm.	29.7%	51.3%	40.9%
Display	4.0%	3.3%	2.4%
Consumer	5.7%	2.7%	7.9%
Multimedia	17.8%	13.1%	19.8%
Others	3.7%	4.5%	1.4%

About Faraday

Faraday Technology Corporation is a leading silicon IP and fabless ASIC vendor. The company's broad IP portfolio includes 32-bit RISC CPUs, DSPs, PHY/Controllers for USB 2.0, Ethernet, and Serial ATA. With 2007 revenue of US\$ 156 million, Faraday is one of the largest fabless ASIC companies in the Asia-Pacific region, and it also has a significant presence in other world-wide market. Headquartered in Taiwan, Faraday has service and support offices around the world, including the U.S., Japan, Europe, and China. For more information, please visit: <http://www.faraday-tech.com>

The financial statements included in this release were un-audited and un-consolidated, and prepared and published in accordance with ROC GAAP. Investors are cautioned that there are many differences between ROC GAAP and U.S. GAAP. The forward-looking statements in this release reflect the current belief of Faraday as of the date of this release and Faraday undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.